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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
SEPTEMBER 1970

Volume 15

Number 2

Released Pursuant to \$1090.27 (j) and \$1090.35, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

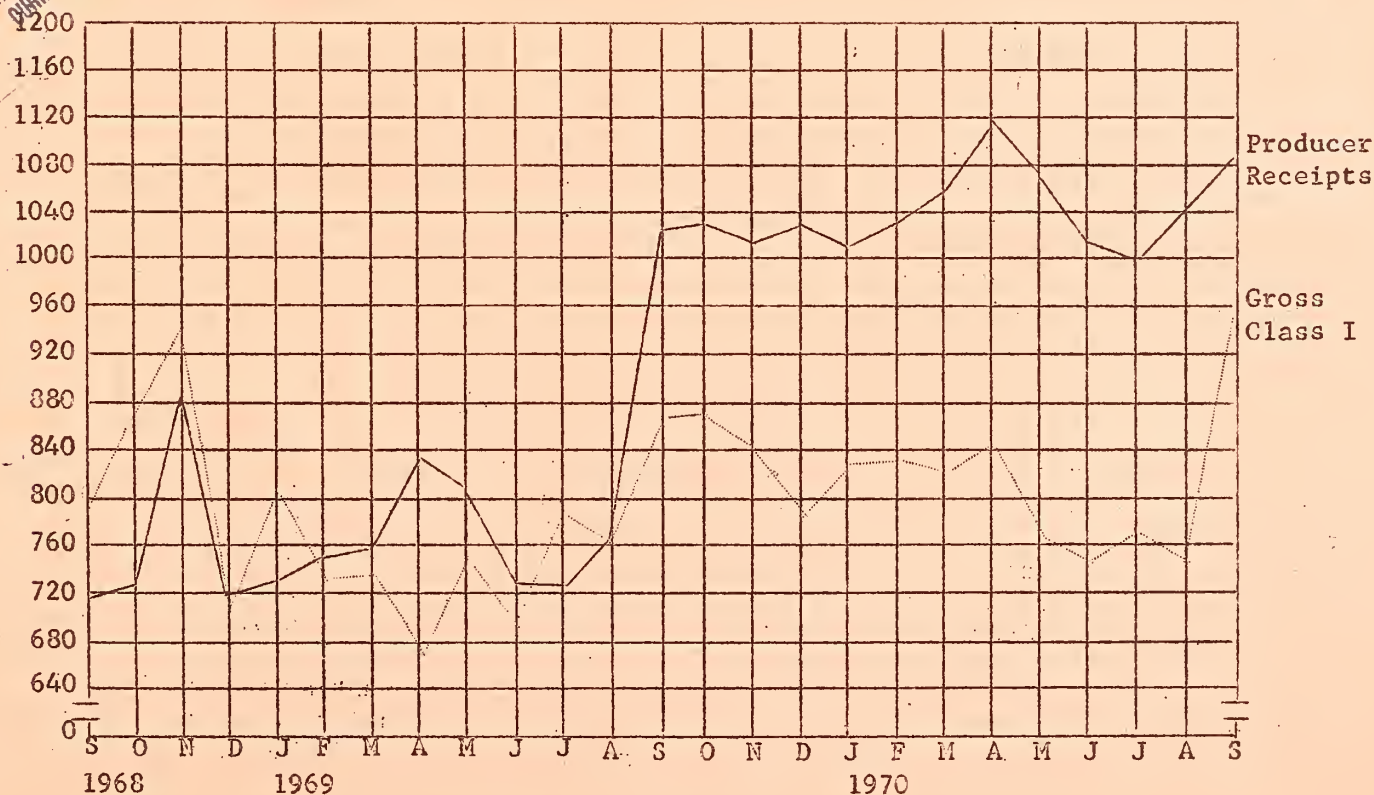
MARKET SUMMARY - SEPTEMBER 1970

The Federal Order MINIMUM uniform price to be paid producers for milk delivered to pool plants is \$6.32. This hundredweight price is for milk testing 3.5% butterfat and is subject to a producer butterfat differential of 0.4 cents for each one-tenth of one percent above or below 3.5% test.

In September 1970, 80.3% of producer milk received by pool plants was priced in Class I at \$6.76 per cwt. and 19.2% was priced in Class II at \$4.66 per cwt. The September butterfat differential for Class I was 0.4 cents and Class II was 0.1 cents.

Total producer milk received at pool plants during September 1970 was 32,733,413 pounds which is an increase of 1,932,113 pounds or 6.3% compared with September 1969. The September daily average deliveries from 742 producers was 1,471 pounds. This compares to 751 farms delivering a daily average of 1,367 pounds per day during September 1969.

DAILY AVERAGE PRODUCER RECEIPTS COMPARED TO GROSS CLASS I UTILIZATION
(Thousand Pounds)



COMPARISON OF MILK RECEIPTS AND UTILIZATION

| | | | | |
|---------------------------------------------|-------------------|---------------|--------------|---------------|
| Page 2 | % Sept. '70 | | | |
| | Over Sept. '69 | Sept. 1970 | Aug. 1970 | Sept. 1969 |
| Number of Plants - Pool | | 6 | 6 | 7 |
| - Non-Pool | | 14 | 15 | 11 |
| <u>RECEIPTS POUNDS (DAILY AVERAGE)</u> | | | | |
| Producer Milk | + 6.3 | 1,091,281 | 1,041,912 | 1,026,877 |
| Other Source | - 14.1 | 32,158 | 27,116 | 37,440 |
| Other Federal Orders | - 25.3 | 60,595 | 84,786 | 81,103 |
| TOTAL MILK RECEIPTS | + 3.4 | 1,184,034 | 1,153,814 | 1,145,420 |
| <u>UTILIZATION POUNDS (DAILY AVERAGE)</u> | | | | |
| <u>Class I Uses</u> | | | | |
| Homo Milk | - 0.8 | 454,736 | 414,483 | 458,336 |
| Skim - Regular | + 9.2 | 22,493 | 19,212 | 20,598 |
| Skim - 2% Milk | + 12.6 | 98,634 | 99,226 | 87,629 |
| Buttermilk | + 11.6 | 53,462 | 49,792 | 47,902 |
| Flavored Milk and Drink | - 15.4 | 19,592 | 18,221 | 23,145 |
| Creams (Sweet and Sour) | + 9.6 | 3,259 | 3,369 | 2,974 |
| Sub-Total - Pkg. Products (Pool Plants) | + 1.8 | 652,176 | 604,303 | 640,534 |
| Other (Shrinkage, Inventory, etc.) | | 6,493 | 1,396 | 2,683 |
| Sales to Non-Pool Plants | | 238,344 | 98,484 | 179,342 |
| In-Area Sales by Non-Pool Plants | + 23.0 | 55,978 | 49,515 | 45,520 |
| TOTAL CLASS I MILK | + 9.8 | 952,991 | 753,698 | 868,129 |
| <u>Class II Uses - Pool Plants</u> | | | | |
| Ice Cream Mixes | + 19.0 | 57,563 | 72,124 | 48,369 |
| Cottage Cheese | + 6.9 | 44,102 | 48,416 | 41,261 |
| Powdered and Condensed Milk | | -0- | -0- | 4,480 |
| Livestock Feed and Skim Dumped | | 6,464 | 7,236 | 8,299 |
| Sub-Total - Used to Produce | + 5.6 | 108,129 | 127,776 | 102,409 |
| Shrinkage Class II | + 5.6 | 17,285 | 12,068 | 16,826 |
| Other (Inventory Variation, etc.) | | 12,081 | 15,456 | 753 |
| Bulk Sales to Non-Pool Plants | | 93,548 | 244,816 | 157,303 |
| TOTAL CLASS II MILK | - 16.7 | 231,043 | 400,116 | 277,291 |
| Class I Pkg. Lbs. In Area - Pool Plants | - 0.9 | 484,135 | 444,160 | 483,750 |
| Class I Pkg. Lbs. Out of Area - Pool Plants | + 10.7 | 168,041 | 160,143 | 151,034 |
| Class I Pkg. Lbs. In Area - Non-Pool Plants | + 23.0 | 55,978 | 49,515 | 45,520 |
| % Producer Milk of Gross Class I | | 114.5 | 138.2 | 118.3 |
| % Producer Milk Priced in Class I | | 80.3 | 66.6 | 76.6 |

PRODUCER MILK BASE NOTICE

Each producer for the Chattanooga marketing area began September 1, 1970, to establish a new milk base to be used in making payment to such producer during the months of March through July 1971. The 1971 daily average base will be computed by dividing each producer's total Grade A milk deliveries to a handler(s) during September 1, 1970 through January 31, 1971 by the number of days from the first day of delivery during such months to the last day of January, inclusive, but by not less than 120 days. Producers will be paid a uniform price for their total milk deliveries during August 1970 through February 1971. A producer base is assigned to the name (payroll account) as reported by the handler receiving the milk. Producers, particularly partnerships, are urged to see that their name(s) are correctly listed with the receiving plant and the Market Administrator.

COMPUTATION OF PRODUCER UNIFORM PRICE

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| SEPTEMBER 1970 | Class % | Milk Pounds | Butterfat Test -% | Cwt. Price @ Test | Gross Value |
|----------------------------------------|---------|-------------|-------------------|-------------------|----------------|
| Gross Class I | | 28,589,723 | 3.223 | | |
| Less Other Source | | 2,146,870 | 2.840 | | |
| Producer Milk Class I | 80.8 | 26,442,853 | 3.254512 | \$6.553790 | \$1,733,009.38 |
| Gross Class II | | 6,931,292 | 5.046 | | |
| Less Other Source | | 635,732 | 0.766 | | |
| Producer Milk Class II | 19.2 | 6,295,560 | 5.478671 | 6.262724 | 394,273.55 |
| TOTAL PRODUCER MILK (Cl.I+Cl.II) | 100.0 | 32,738,413 | 3.682215 | | \$2,127,282.93 |
| Add Fractional Adjustment | | | | | .03 |
| Add Value of Other Source Receipts | | | | | |
| Allocated to Class I and Location Adj. | | 2,551 | 0.00 | 3.82 | 97.45 |
| Add ½ Producer-Settlement Fund Reserve | | | | | 5,442.03 |
| TOTAL VALUE AT TEST | | 32,740,969 | 3.681928 | \$6.514231 | \$2,132,822.44 |
| Less Test over 3.5% @ 3.4¢ per point | | 32,740,969 | .181928 | 0.152820 | 50,034.75 |
| TOTAL UTILIZATION VALUE AT 3.5% | | 32,740,969 | 3.5 | \$6.361411 | \$2,082,787.69 |
| Less Producer-Settlement Fund Reserve | | 32,740,969 | | .041411 | 13,558.36 |
| PRODUCER UNIFORM PRICE - 3.5% TEST | | 32,740,969 | 3.5 | \$6.32 | \$2,069,229.33 |

SEPTEMBER 1970 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
 BUTTERFAT DIFFERENTIAL 3.4¢ PER POINT (EXCLUDES PREMIUMS)

| TEST-% | PRICE | TEST-% | PRICE | TEST-% | PRICE | TEST-% | PRICE | TEST-% | PRICE |
|--------|--------|--------|---------|--------|---------|--------|---------|--------|---------|
| 3.0 | \$5.90 | 3.6 | \$6.404 | 4.2 | \$6.908 | 4.8 | \$7.412 | 5.4 | \$7.916 |
| 3.05 | 5.942 | 3.65 | 6.446 | 4.25 | 6.95 | 4.85 | 7.454 | 5.45 | 7.958 |
| 3.1 | 5.984 | 3.7 | 6.488 | 4.3 | 6.992 | 4.9 | 7.496 | 5.5 | 8.00 |
| 3.15 | 6.026 | 3.75 | 6.53 | 4.35 | 7.034 | 4.95 | 7.538 | 5.55 | 8.042 |
| 3.2 | 6.068 | 3.8 | 6.572 | 4.4 | 7.076 | 5.0 | 7.58 | 5.6 | 8.084 |
| 3.25 | 6.11 | 3.85 | 6.614 | 4.45 | 7.118 | 5.05 | 7.622 | 5.65 | 8.126 |
| 3.3 | 6.152 | 3.9 | 6.656 | 4.5 | 7.16 | 5.1 | 7.664 | 5.7 | 8.168 |
| 3.35 | 6.194 | 3.95 | 6.698 | 4.55 | 7.202 | 5.15 | 7.706 | 5.75 | 8.21 |
| 3.4 | 6.236 | 4.0 | 6.74 | 4.6 | 7.244 | 5.2 | 7.748 | 5.8 | 8.252 |
| 3.45 | 6.278 | 4.05 | 6.782 | 4.65 | 7.286 | 5.25 | 7.79 | 5.85 | 8.294 |
| 3.5 | 6.32 | 4.1 | 6.824 | 4.7 | 7.328 | 5.3 | 7.832 | 5.9 | 8.336 |
| 3.55 | 6.362 | 4.15 | 6.866 | 4.75 | 7.37 | 5.35 | 7.874 | 5.95 | 8.378 |

DECISION ON PROPOSED AMENDMENT

Following a public hearing held at Clayton, Missouri and New York in January and February 1970, a Recommended Decision was issued by USDA on September 29, 1970 on the proposed "economic formula" for pricing Class I milk under all Federal milk orders. Copies of this decision have been mailed to handlers, cooperatives and other known interested parties. Additional copies may be obtained at the Market Administrator's office.

The Recommended Decision concludes no action should be taken with respect to the proposed formula on the basis of the hearing record. However, on the basis of exceptions filed to the decision, consideration will be given to reopening the hearing for further examination of the proposal.

Interested parties may file written exceptions to the decision with the Hearing Clerk, United States Department of Agriculture, Washington, D. C. 20250, by November 2, 1970. The exceptions should be filed in quadruplicate. All written submissions made pursuant to this notice will be made available for public inspection at the office of the Hearing Clerk during regular business hours.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

| Date | PRODUCER UNIFORM PRICES 1/ | | | | HANDLER CLASS PRICES 1/ | | | |
|-----------|----------------------------|-------------------|--------|----------|-------------------------|----------|----------|----------|
| | Uniform | Per Hundredweight | | | Class I | | Class II | |
| | | Base | Excess | Bf. Dif. | Cwt. | Bf. Dif. | Cwt. | Bf. Dif. |
| Sept. '69 | \$6.29 | - | - | 8.0¢ | \$6.25 | 8.1¢ | \$4.49 | 8.0¢ |
| Oct. | 6.13 | - | - | 8.2 | 6.70 | 8.4 | 4.58 | 7.3 |
| Nov. | 6.01 | - | - | 8.0 | 6.47 | 8.2 | 4.62 | 7.3 |
| Dec. | 6.17 | - | - | 8.0 | 6.77 | 8.1 | 4.63 | 7.9 |
| Jan. '70 | 6.29 | - | - | 8.0 | 6.70 | 8.2 | 4.67 | 7.8 |
| Feb. | 6.26 | - | - | 8.0 | 6.32 | 8.1 | 4.63 | 7.3 |
| Mar. | 6.15 2/ | \$6.30 | \$4.53 | 8.0 | 6.73 | 8.1 | 4.58 | 7.8 |
| Apr. | 6.09 2/ | 6.29 | 4.60 | 8.2 | 6.73 | 8.2 | 4.60 | 8.0 |
| May | 5.99 2/ | 6.16 | 4.53 | 8.2 | 6.75 | 8.4 | 4.58 | 8.0 |
| June | 6.06 2/ | 6.20 | 4.61 | 8.2 | 6.73 | 8.4 | 4.61 | 8.0 |
| July | 6.14 2/ | 6.31 | 4.60 | 8.2 | 6.76 | 8.4 | 4.60 | 8.0 |
| Aug. | 6.01 | - | - | 8.2 | 6.75 | 8.4 | 4.61 | 8.0 |
| Sept. | 6.32 | - | - | 8.4 | 6.76 | 8.4 | 4.66 | 8.1 |
| Oct. | - | - | - | - | 6.81 | 8.5 | - | - |

| Date | PRICE QUOTATIONS | | | | PRODUCER MILK USE | | | |
|-----------|------------------|-----------------|--------------------------|--------------------|-------------------|--------|--------------------|--------|
| | Chi-92 | Chi.Area | Min/Wisc. | Basic | (Daily Average) | | | |
| | Butter ¢ Lb. | Powder ¢ Lb. | Mfg. Milk \$-Cwt-3.5% | Formula Minimum | Class I Pounds | Test-% | Class II Pounds | Test-% |
| Sept. '69 | 69.35 | 22.95 | \$4.49 | \$4.33 | 786,310 | 3.37 | 240,567 | 5.13 |
| Oct. | 68.23 | 22.93 | 4.58 | 4.33 | 796,489 | 3.41 | 237,254 | 5.66 |
| Nov. | 67.34 | 23.14 | 4.62 | 4.33 | 773,131 | 3.49 | 242,417 | 5.73 |
| Dec. | 68.45 | 22.96 | 4.63 | 4.33 | 736,616 | 3.46 | 284,057 | 5.76 |
| Jan. '70 | 67.61 | 23.00 | 4.67 | 4.33 | 779,375 | 3.41 | 231,117 | 6.54 |
| Feb. | 67.60 | 23.15 | 4.63 | 4.33 | 774,028 | 3.42 | 259,675 | 5.73 |
| Mar. | 67.95 | 23.13 | 4.58 | 4.33 | 761,892 | 3.35 | 298,922 | 5.25 |
| Apr. | 69.83 | 25.96 | 4.60 | 4.33 | 784,446 | 3.34 | 332,976 | 4.84 |
| May | 69.85 | 26.84 | 4.58 | 4.33 | 708,369 | 3.29 | 365,773 | 4.53 |
| June | 69.81 | 26.77 | 4.61 | 4.33 | 690,927 | 3.26 | 324,444 | 4.67 |
| July | 69.30 | 27.02 | 4.60 | 4.33 | 715,313 | 3.27 | 284,243 | 4.65 |
| Aug. | 69.30 | 26.85 | 4.61 | 4.33 | 694,169 | 3.27 | 347,743 | 4.45 |
| Sept. | 70.52 | 26.86 | 4.66 | 4.33 | 881,429 | 3.25 | 209,852 | 5.43 |

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

| Date | HANDLER GROSS MILK 3/ | | | PRODUCER DATA | | | | DELIVERIES PER | | |
|-----------|-----------------------|-----------|---------|---------------|-----------|----------|---------|----------------|--------|------|
| | No. | Total | Class I | No. | Total | Base | Average | Farm --- | Pounds | |
| | Hdlers. | Receipt | Use | Prod. | Delivery | Delivery | Test-% | Prod. | Base | Exc. |
| Sept. '69 | 18 | 1,145,420 | 863,129 | 751 | 1,026,677 | - | 3.79 | 1,367 | - | - |
| Oct. | 19 | 1,154,337 | 869,889 | 756 | 1,039,743 | - | 3.93 | 1,367 | - | - |
| Nov. | 19 | 1,204,399 | 841,680 | 755 | 1,015,543 | - | 4.04 | 1,345 | - | - |
| Dec. | 20 | 1,310,785 | 792,076 | 773 | 1,020,673 | - | 4.10 | 1,320 | - | - |
| Jan. '70 | 20 | 1,241,790 | 834,642 | 752 | 1,010,492 | - | 4.12 | 1,344 | - | - |
| Feb. | 21 | 1,359,501 | 835,831 | 743 | 1,033,703 | - | 4.00 | 1,382 | - | - |
| Mar. | 21 | 1,397,629 | 824,119 | 745 | 1,060,314 | 971,070 | 3.89 | 1,424 | 1,303 | 121 |
| Apr. | 21 | 1,407,342 | 843,311 | 743 | 1,117,422 | 988,522 | 3.79 | 1,504 | 1,330 | 174 |
| May | 21 | 1,258,907 | 768,561 | 741 | 1,074,142 | 965,184 | 3.71 | 1,450 | 1,303 | 147 |
| June | 21 | 1,153,003 | 752,470 | 739 | 1,015,371 | 924,399 | 3.71 | 1,374 | 1,251 | 123 |
| July | 21 | 1,124,146 | 775,421 | 744 | 999,561 | 903,625 | 3.66 | 1,343 | 1,215 | 120 |
| Aug. | 21 | 1,153,814 | 753,698 | 742 | 1,041,912 | - | 3.66 | 1,404 | - | - |
| Sept. | 20 | 1,124,034 | 952,991 | 742 | 1,091,281 | - | 3.68 | 1,471 | - | - |

1/ Excludes Premiums

3/ Other Source is Gross minus Producer

2/ Weighted Average Price

Class II is Receipts minus Class I